NEC BELADIPOVED FOR Release 2003/08/08:01 THE OUTLOOR FOR COMPLETING RATIFICATION OF THE EDC TREATY

Summary of the Present Situation

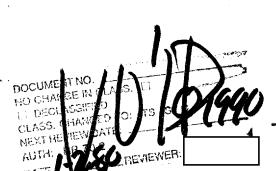
France

- The French situation, which looks markedly better than four weeks ago, continues to be the crux of the whole problem.

I will return to this in a moment.

West Germany

- Both houses of parliament ratified last spring.
- Constitutional Court now deliberating the legality of both Bonn and Paris treatied, but generally expected to follow the 6 September election returns.
 - If not, Adenauer can probably muster a two-thirds majority for the necessary modifications of the constitution.
- · Lower hourse ratified by two-thirds majority in July.
- final approval is generally expected, possibly by the end of the year.
- Upper house may take its time, but its
 - Both houses expected to make EDC the first order of business when they reconvene - lower house on 6 October, upper house in November.



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Netherlands

State Department review(s) completed.

Belgium

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- Final approval not considered in doubt

and Belgian government believes this

may be attained in 1953.

Luxembourg

- Approval expected to follow Belgium's

Italy

- The one country where prespects now look actually worse than they did last spring, when De Gasperi promised to push the treaty through parliament this year.
- Several reasons for this decline in ratification prospects:
 - (1) De Gamperi's poor showing in the June elections was widely attributed to his previous close cooperation on US-sponsored policies.
 - (2) The present Pella government is only a provisional one

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(3) Trieste has become an even more burning issue with Italian public.

Pella told Ambassador Luce on 3
September that a favorable solution
was now a precondition for Italian
EDC ratification.

(4) And finally, similar public pressures are building up against fuffiler any measures risking war and against further

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These pressures are already being manifested in a growing lack of cooperativeness in Italy's relation with us.

- Hence a date for EDC debate is not even being discussed at this time.
- But Italy seems to recognize that

 European integration is to its long term
 interest, economically and defense-wise;
 it is already a member of the Coal-Steel
 Community.
- Hence Italy not likely to be hold-out once the other participating countries have all ratified.

B. To return to the more mix critical problem in France:

German elections of 6 Sep a turning point - The shift of French government policy in the second half of September was striking.

Before German elections, a black picture

- to so schedule on EDC ratification
- Foreign Minister Eidault appeared under the influence of elements tending to retard rather than promote integration.
- The enemies of EDC were organizing an aggressive opposition

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- France and Germany seemed deadlocked

on the Saar.

Previous Mayer government had made a settlement a firm condition for French ratification of EDC

- Worst of all, the French public seemed
in a psychological rut on the subject of
EDC, apparently accepting the argument
that

Before they could bind themselves more closely to the Germans, the French must regain a position of strength

Hence Germany's growing maxingth

predominance made the French fret

over their financial and trade

difficulties, the drain of the

Indochina war, and the challenge to

their position in North Africa

In addition they saw a possibility of American defense economies making the US less reliable as a stabilizing force in Europe.

chance of atmosphere after 6 Sept.

- On 9 September, Under Secretary of State
Maurice Schumann told Ambassador Dillon
with enthusiasm -

The elections had provided "a much needed

shoots for reach public opinion," and Approved For Release 2003/08/08: CARD 10000890A000100090018-8

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On 15 September Bidault assured

Dillon that, given a Saar settlementHe was now convinced France would ratify EDC before the end of the

kyear, and

He was "prepared to devote his full time to accomplishing this result"

- Dillon commented:

"This position by Bidault is a dramatic change of front. While he has always maintained his support for EDC, he has never before given a date for ratification."

- On 17 September Dillon noted that there was now

"keen competition between Laniel and Bidault as to who can do most to get EDC through."

- On 26 September, Laniel announced publicly that

He would ask Parliament at ratify

EDC as soon as outstanding differences

with Germany were settled hat the

anticipated early meeting between

Bidault and Adenauer

French ratification now seems to depend on

- (1) An understanding on the Saar
 - (2) Satisfying the Socialist Party

A European Political Community with real supranational powers

with EDC

- (3) Avoidance of a new cabinet crisis
- (4) Coping successfully with upsetting developments abroad,
 e.g., a failure of the Navarre
 Plan in Indochina, unforeseen
 Soviet initiatives

(To take up these points one by one ---)

- (1) Prospects for Sagr settlement
- Negotiations, which last spring reached agreement on the principle of "European-ixing" the territory, are to be resumed in mid-October.
- Adenauer's electoral victory gives him greater leeway to make concessions on the chief remaining stumbling block--France's economic position in the Saar.

He is already publicly on record as realizing France cannot give this up entirely

(2) Problem of Insuring Socialist support Assembly votes to put EDC across there, but can count on only about 250 from the parties in the coalition.

Several ex-Gaullist cabinet members threatened in mid-September to resign

- Government therefore looks to the
Socialist party as the most promising
source of the needed additional votes
Selieves that under proper conditions
it can swing about 80 of the 104
deputies of this party.

- The Socialist demands are:

- (1) Close British "association" with EDC on which London now appears to have satisfied the Socialist party leader.
 - (2) That the proposed Political

 Community now under international
 discussion, be given "real" or
 suprasational authority for contrelling German power.
- Socialist position therefore now seems
 to depend on a considerable firming
 up of the instructions sent to the
 French delegation now negotiating
 in Rome

These instructions apparently cannot be clarified without a resolution of the struggle now dividing /theFrench cabinet on the whole question of France's policy on European integration.

(3) Avoidance of cabinet crisis

- Overthrow of the Lamiel government would probably mean a prolonged and serious crisis.

Hext regime would need time to develop its own strategy on the treaty

- There are various indications that

 Lamiel will stay in power at least till

 mid-December, but he faces real threats

 from:
 - (1) The permistent budgetary difficulties
 - (2) Labor's hostility flaring up in the August strikes and still strong;

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- Hydre EDC ratification will depend also on such developments abroad as

TOP SECTION

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(2) Further Soviet initiatives toward a dentente in the cold war

In conclusion

- Even if all goes well in the Mational Assembly, there is one further factor which may delay French ratification until early 1954.

This is the upper house of Parliament which is highly conservative and includes many able critics of the treaty.

Under its prerogatives, it could held up ratification as long as two months.

Such a further delay might mean a crippling loss of the momentum imparted by the Adenauer victory in September